

ARIZONA CORPORATION COMMISSION

COMMISSION RESPONSIBILITIES

- The Arizona Corporation Commission is responsible for issuing Certificates of Environmental Compatibility for proposed Extra High Voltage powerlines (115 kv and above) and for thermal power plants generating 100 MW or more; and proposed above-ground transmission lines designed for 115 kv or higher
 - NOTE: “plant” does not include Photovoltaic or Wind projects.
- The Arizona Corporation Commission is responsible for conducting a Biennial Transmission Assessment (“BTA”) which requires regulated utilities to prepare and file with the Commission a 10 year forward looking plan identifying planned and necessary transmission projects.
 - In the most recent BTA order, the Commission asked parties to specifically look at renewable transmission lines in their service territories and identify the three most necessary projects for transporting renewables.
 - Responses were provided to the Commission by the Renewable Transmission Task Force (“RTTF”) which was created by the Southwest Area Transmission Group. The Commission is currently reviewing the Renewable Transmission Area Proposal filed by Arizona Public Service Company.
- The Arizona Corporation Commission is in the midst of promulgating developed Integrated Resource Planning rules which will ask regulated utilities to provide ten year plans identifying generation future resource needs. Like the BTA, under the IRP rules, utilities would be required every two years to project their resource choices for the next ten years. These resource choices will include the companies’ projections of its renewable energy purchases/project builds.
- The Commission in 2006 approved Arizona’s Renewable Energy Standard (“RES”), which requires regulated utilities to produce at least 15 percent of their retail sales from renewable resources by 2025. The RES, along with the Renewable Portfolio Standards of adjacent states, is driving most if not all of the current and recent renewable energy generation portfolios, and will drive future proposals for renewable energy transmission lines.

SITING REQUIREMENTS

- Applications for a CEC must include:
 - 1. Size and proposed route of any transmission lines or location of each plant proposed to be constructed.
 - 2. The purpose to be served by each proposed transmission line or plant.
 - 3. The estimated date of operation.
 - 4. The average and maximum power output measured in megawatts of each plant to be installed.
 - 5. The expected capacity factor for each proposed plant.
 - 6. The type of fuel to be used for each proposed plant.
 - 7. The plans for any new facilities shall include a power flow and stability analysis report showing the effect on the current Arizona electric transmission system.

AGENCY INTERACTION

- Line Siting Committee calls for participation by:
 - State Attorney General
 - ADEQ
 - ADWR
 - Energy Office
 - ACC

EXPERIENCE TO DATE

- Renewable Plants: To date the Commission has sited three solar projects. (Solana, Agua Caliente, and the Starwood solar project) Two others are currently being reviewed.
- Transmission Lines: The Commission has sited over 20 major transmission projects totaling in excess of 600 linear miles of transmission corridor plus associated substation facilities since 2000.

OPPORTUNITIES

- Arizona's Line-Siting process is widely recognized for its expediency and cooperativeness. More robust participation by interested agencies in the line siting process would only enhance the decisions and process as it would lead to better development of issues, like water, and development of appropriately conditioned certifications.
- One opportunity that could be considered is development, in cooperation of all agencies present, of low-medium-high penetration scenarios which would outline where development would be least impactful, how development could work in conjunction with existing and planned transmission and outline "least-impactful corridors" while considering wildlife and water impacts in advance.
 - Development of least-impactful corridors could also be tied to expedited review by the agency responsible.

OBSTACLES

- Under current statute, the Commission lacks oversight over wind and photovoltaic projects and projects smaller than 100 MW. Since the Commission sights the generation-tie lines for these projects, it is an odd bifurcation of responsibilities for the Commission to not review the underlying projects. The line siting statute should be amended to allow the Commission to review all generation projects greater than 100 MWs.